Brooke E. Lierman
Comptroller of Maryland

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News Release

Comptroller Lierman Urges SEC to Preserve Shareholder Proposal Rule

Repeal would make it harder and more costly for investors to raise concerns and hold corporate boards accountable

ANNAPOLIS, Md. (November 20, 2026) — Comptroller Brooke E. Lierman today submitted comments to the U.S. Securities and Exchange Commission (SEC) opposing its proposal to repeal Rule 14a-8. For more than 80 years, the rule has given eligible shareholders a way to put qualifying proposals before fellow investors. Companies generally must include those proposals in the voting materials they already send to shareholders, allowing investors to reach one another without paying to distribute their own materials.

In her comments, Comptroller Lierman emphasized that public pension systems and other long-term investors use shareholder proposals to ask how boards are managing risks, request information, and raise concerns that could affect the long-term value of their investments. A vote can show a board how widely other investors share a concern, even when a proposal falls short of majority support. Repealing the rule could leave investors navigating a patchwork of state laws and company rules, raising costs across diversified portfolios and making it especially difficult for smaller shareholders to bring forward proposals.

Comptroller Lierman also raised concerns about proposed changes to Rule 14a-4 that would give companies more discretion to cast shareholders' proxy votes on proposals

raised at a meeting but left out of the company's voting materials. While the SEC's proposal would let shareholders opt out of this discretionary voting, she noted that an opt-out is not the same as a shareholder giving an informed voting instruction and urged the SEC to examine whether the approach adequately protects investors' ability to make their own voting decisions.

Finally, the Comptroller urged the SEC to withdraw the proposal and preserve an accessible process for shareholders to bring proposals before fellow investors. She noted that any concerns with the current rules can be addressed through targeted reforms rather than eliminating the rule entirely, adding that shareholder participation, corporate accountability, and informed voting are essential to strong public markets.

Read the Comptroller's full comments.

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Media Contacts

Jeremy Ames

james@marylandtaxes.gov

443-336-8162 (cell)

Bruce Nilson

bnilson@marylandtaxes.gov

443-254-6153 (cell)

Comptroller of Maryland, 80 Calvert Street, Annapolis, Maryland 21401, United States